

Message Text

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ACTION EA-09

INFO OCT-01 ARA-06 EUR-12 ISO-00 AGR-05 EB-07 COME-00

TRSE-00 CIAE-00 INR-07 NSAE-00 /047 W

-----070310Z 041277 /12

R 060825Z MAY 77

FM USLO PEKING

TO SECSTATE WASHDC 7754

INFO AMEMBASSY OTTAWA

AMEMBASSY CANBERRA

AMEMBASSY TOKYO

AMEMBASSY BUENOS AIRES

AMCONSUL HONG KONG

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DEPARTMENT PASS AGRICULTURE

E.O. 11652: N/A

TAGS: EAGR CH

SUBJ: INTERNATIONAL GRAIN TRADERS VISIT TO PRC

REF: (A) PEKING 0600; (B) PEKING 641; (C) PEKING 892

1. DURING LAST TWO TO THREE WEEKS REPRESENTATIVES OF DREYFUS, TRADAX, COOK, C.G.P. AND BUNGE TRADING FIRMS HAVE CALLED AT THE LIAISON OFFICE.

2. DISCUSSIONS WITH MARQUOT REPORTED REF A. HE MAY STILL BE IN PEKING.

3. JEREMY LANG, TRADAX, WAS IN PEKING TWO WEEKS AGO PRIOR TO HIS VISIT TO CANTON FAIR. AT THAT TIME HE WAS NOT ESPECIALLY OPTIMISTIC ABOUT SALES.

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4. JACQUES A. LANG AND ALAIN FULDA, COMPAGNIE GRAINIERE PARIS, STATED THEY ARE HOPEFUL PRC WILL BUY SOME US WHEAT, THAT PRC STILL VERY SHORT OF FOREIGN EXCHANGE, AND THAT THEY BELIEVE NO RELATIONSHIP EXISTS OR HAS EVER EXISTED BETWEEN CHINESE EXPORTS OF RICE AND IMPORTS OF WHEAT.

5. GERARD EMLER, COOK (MALCORN, S.A.), STATED THAT HE DISCUSSED US GULF WHEAT PRICES AND TCK ASSURANCES WITH IMPORT CORPORATION. HE BELIEVES PRC WILL BUY SOME US WHEAT IN 1977 -- ALSO THAT PRC NEEDS TO IMPORT MORE COTTON THIS YEAR.

6. D.B. KAUFMANN, BUNGE, NEW YORK, HAD EXTENSIVE TALKS WITH CEROILFOODS HE CONFIRMED THAT ARGENTINA (CONTINENTAL) HAD MADE RECENT SALE OF 100,000 TONS OF WHEAT TO PRC AT \$91 TO \$92 PER TON AND THAT ARGENTINA HAD ALLOCATED ADDITIONAL 300,000 TONS OF WHEAT FOR SALE TO PRC BY PRIVATE TRADERS AT MINIMUM PRICE OF \$97.

7. KAUFMANN THINKS THAT PRC WILL PURCHASE UP TO TWO MILLION TONS ADDITIONAL WHEAT FOR DELIVERY DURING 1977 IN ADDITION TO THE 5.2 MILLION TONS ALREADY PURCHASED. OF THIS AMOUNT, 300,000 TONS MAY COME FROM ARGENTINA, BETWEEN 500,000 AND 1.7 MILLION FROM CANADA. HE THINKS CHINESE WILL ATTEMPT TO BUY ARGENTINE WHEAT AT VERY LOW PRICE AND THAT CANADIANS MAY NOT BE ANXIOUS TO SELL. ANY WHEAT NOT BOUGHT FROM CANADA OR ARGENTINA MAY COME FROM US.

8. KAUFMANN SAID THAT PRC HAS FORMULATED A TCK MEMO WHICH SETS FORTH METHODS TO FOLLOW IN ASSURING THAT WHEAT ARRIVES IN PRC FREE OF TCK. THERE WAS NO TALK OF REJECTION CLAUSE IN CONTGGDT, BUT THAT SELLER WOULD BE RESPONSIBLE FOR LOSS IF TCK IS FOUND LIMITED OFFICIAL USE

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UPON ARRIVAL OF WHEAT IN PRC.

9. HE STATED THAT CANADIAN WHEAT BOARD REPRESENTATIVES ARE EXPECTED TO ARRIVE IN PEKING BETWEEN MAY 9 AND 13.

10. HE NOTED THAT PRC IS NO LONGER SPECIFYING "NON-US ORIGIN"ION SOYBEAN OIL PURCHASE REQUESTS AND THAT DURING LAST WEEK OF APRIL A SWISS FIRM SOLD 20,000 TONS AND DREYFUS SOLD 10,000 TONS SOYBEAN OIL TO THE PRC AT PRICES OF \$640-645 PER TON. HE ESTIMATES THAT PRC ALREADY HAS 150,000 TON SOYBEAN OIL PURCHASES ON THE BOOKS AND COULD PURCHASE FROM 10,000 TO 30,000 TONS PER MONTH FROM DECEMBER THROUGH MARCH.

11. HE HAD NO INFORMATION ON PRC COTTON IMPORT PROSPECTS.

12. THIS MESSAGE CONTAINS SENSITIVE INFORMATION WHICH SHOULD NOT BE DISCUSSED OUTSIDE

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Message Attributes

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Copy: SINGLE
Sent Date: 06-May-1977 12:00:00 am
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Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
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Disposition History: n/a
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